GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1334
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NON PERFORMING ASSETS
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Will the Minister of FINANCE be pleased to state:

(a) the amount of non-performing assets of the public sector banks and other financial institutions as on December 31, 2007;

(b) the steps taken to recover the same;

(c) the amount recovered during each of the last three years; and

(d) the estimated amount of interest the public sector banks / financial institutions have lost due to NPAs?

Answer

MINISTRY OF THE STATE IN THE MINISTRY OF Finance (Shri Pawan Kumar Bansal)

(a) As on 31st December 2007, the gross Non-performing Assets (NPAs) of the public sector banks (PSBs) and financial institutions (FIs) stood at Rs. 39,526 crore and Rs.1,424 crore respectively.

(b) Reserve Bank of India (RBI) and the Government of India have taken various steps to improve asset quality of the banks which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, introduction of Corporate Debt Restructuring mechanism, One Time Settlement schemes, enactment of
(i) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002,
(ii) the Credit Information Companies (Regulation) Act, 2005, and
(iii) the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993, etc.

(c) The details of amount recovered by PSBs and FIs during the last three years are as under:-

(Rs.in crore)

	2004-05	2005-06	2006-07
Public Sector Banks	20,519	23,210	22,148
Financial Institutions	300	294	947

FIs include NABARD, NHB, SIDBI & EXIM Bank

(d) The quantum of loss of interest due to NPAs depends upon various factors including the amount of NPAs, period for which the accounts have remained under NPA category, sacrifice in amount of interest in compromise settlements, etc. The existing management information system of RBI does not generate this data.